THE CORPORATION OF THE CITY OF ROSSLAND

ANNUAL REPORT

YEAR ENDED DECEMBER 31, 1985.

THE CORPORATION OF THE CITY OF ROSSLAND

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THE CORPORATION OF THE CITY OF ROSSLAND

ANNUAL REPORT

1985

GENERAL GOVERNMENT SERVICES

Legislative Structure

The elections in November brought about a shift in the political leadership of the City.

1984 - 1985 Council	1985 - 1986 Council
Mayor G. Jenks	Mayor J. Drysdale
Alderman L. Charlton	Alderman L. Charlton
Alderman J. Drysdale	Alderman G. Jenkins
Alderman J. Ramaradhya	Alderman M. Pistak
Alderman M. Samuelson	Alderman M. Samuelson
Alderman R. Steckle	Alderman R. Steckle
Alderman J. Wild	Alderman J. Wild

The committee structure established in 1984 was retained. There are two committees-of-the-whole, the Priority & Planning Committee and the Reporting and Accountability Committee. Other committees include the Recreation Commission, The Advisory Planning Commission and the Personnel Committee. Special Committees are appointed to advise Council on specific matters from time to time.

1985 was a very heavy legislative year. Thirty-nine bylaws were enacted, most of these bylaws, 24 in all, deal with fiscal matters, while 10 deal with regulatory matters and 4 bylaws deal exclusively in policy matters.

One of the most significant bylaws of 1985 was the Traffic Safety Bylaw, developed after a full year of research by the Traffic Safety Committee. A second bylaw of major significance prohibits the use of welders to thaw frozen water pipes; this bylaw was developed when proof was established that the use of welders has caused severe damage to property in many instances.

General Administration

The administration staff was reduced by one position following the resignation of the Treasurer. The statutory responsibility of the Treasurer was assigned to the Administrator. Two staff members are employed in the administration; five employees share the responsibility of management and supervision for all City operations. Many previously manually executed administration functions were streamlined, automated or computerized.

Financial Management

Fund accounting was introduced in 1985. This system allows Council to monitor expenses which are incurred in the delivery of services for which revenues are specifically identified. This means that Council, and taxpayers, are now able to determine exactly where the money raised by water, sewer and garbage rates as well as recreation fees is being spent. Fund accounting also allows Council to monitor the true cost of internal services, such as equipment and administration costs, and thereby maintain a comparison between City services delivered by City employees and City services contracted out.

THE CORPORATION OF THE CITY OF ROSSLAND

PROTECTIVE SERVICES

Police Protection

Police protection is provided by the Royal Canadian Mounted Police under contract with the Province of British Columbia.

Bylaw Enforcement

The City employs one part-time Bylaw Officer to enforce the parking regulations of the Traffic Safety Bylaw.

The enforcement of the Animal Control Bylaw, the Zoning Bylaw and the Building Bylaw is contracted to the Regional District of Kootenay Boundary at a total cost of $8,400.00 per year.

Fire Protection

Fire protection is provided by the Regional District of Kootenay Boundary. The charge for that service to the City was $33,700.00

Emergency Measurers

The City has appointed an Emergency Measures Coordinator who is responsible for an area which extends well beyond City boundaries. Work was initiated for a major revision of the emergency plan for the City. Funding for emergency measures is provided by the Province of British Columbia.

TRANSPORTATION SERVICES

Road Services

This is the most expensive service provided by the City. With a crew of 8 people, the City maintains 42 km of roads. In addition, the maintenance of lanes, sidewalks and steps also falls into this service category.

Snow plowing, sanding and snow removal account for the greatest cost of this service. Two graders, two snow blowers, one wheeled dozer and two truck plow/sanders are assigned to snow plowing. Snow removal involves one grader, one blower and 3 dump trucks.

Summer road maintenance includes the removal of winter sand, periodic street sweeping, dust control, blacktop patching as well as the maintenance of the surface drainage and storm sewer systems.

Equipment

The City employs one mechanic to maintain a fleet of 27 equipment units, including graders, loaders, backhoes, snowblowers, a variety of trucks and special purpose vehicles. A policy was adopted in 1985 to govern the systematic replacement of equipment to provide the City with more appropriate equipment and reduce the total fleet by one unit.

THE CORPORATION OF THE CITY OF ROSSLAND

ENVIRONMENTAL HEALTH SERVICES

Water Service

Three employees are responsible for the maintenance of the water system. 1985 was an exceptional year. The long hot period experienced in July resulted in growing water consumption reaching 1,500,000 gallons per day. The average daily consumption is 310,000 gallons. In spite of this heavy volume draw, our watershed managed to maintain the reservoir level; however, any additional demand on the water system due to a line failure or a fire flow demand would have caused a drop in the reservoir.

Sewer Service

The crew which maintains the water system is also responsible for the maintenance of the sewer system. The sewer system operated without significant interruptions or problems in 1985. The ability of the sewer interceptor line to handle the flows from Rossland to the treatment plant in Trail continues to raise questions which have yet to be dealt with appropriately.

The treatment of sewage is a regional district function; the cost of that service to Rossland was $40,600.00.

Garbage Service

The operation of the garbage dump in Trail is a regional function. Rossland's share of that cost was $8,700.00.

The pick-up and hauling of garbage is provided for the City by a private contractor at an annual cost of $99,300.00.

In 1985 the fall clean-up was eliminated as a cost saving measure; the saving realized was $8,000.00.

PUBLIC HEALTH & WELFARE SERVICES

Cemetery

The operation of the Mountain View Cemetery is a regional district function. Rossland's share of that service is $3,700.00

The City maintains the Columbia Cemetery to a minimum standard of care; funding for this program is provided by the Regional District of Kootenay Boundary.

Public Health

The City's role in public health is limited to the maintenance of the Rotary Health Centre.

THE CORPORATION OF THE CITY OF ROSSLAND

ENVIRONMENTAL DEVELOPMENT SERVICES

Community Development

A number of longstanding infrastructure trespass occurrences were resolved through the negotiation and registration of easements. Legal and survey work represented the major expense in the settlement of easements.

Tourism

Late in the year, the City produced a historic walking tour brochure for Rossland. The brochure will be available for the 1986 season. The City also participated with the Rossland/Red Mountain Business Association in the reproduction of a City map for visitors.

RECREATION & CULTURAL SERVICES

Recreation Facilities

The arena is Rossland's major recreation facility. This building incorporates a skating arena, a four sheet curling rink and two lounges. The principal users of the building are skaters and curlers. There is only limited summer use of the facility. The Recreation Department employs three full time and two part time staff members.

Parks

The Recreation Department maintains eleven parks which include playing fields, playgrounds and leisure parks. The current status and recommended objectives of the Rossland park system was the subject of a major in-house study undertaken by the Recreation Department. This study was received by Council late in the year.

Programs

Most recreation programs available in the community are offered by volunteer organizations in cooperation with the Recreation Department. This cooperation takes the form of financial or administration assistance and support services.

The City adopted a general policy of encouraging community organizations to assume more responsibility and authority in the delivery of services. The campaign to structure the relationship between the City and the various organizations by negotiated contract was continued successfully in 1985. The major contracts signed this year cover the operation of the Curling Club and the Swimming Pool.

Cultural Facilities

The City acquired the Miners' Union Hall in 1985. With the aquisition of this historic building and the signing of an operating agreement with the Heritage Society, it is anticipated that this facility will gradually be able to offer more programs and host more events.

The Rossland Historical Museum Association and the City signed an agreement for the operation of the museum, our principal cultural facility. This agreement offers the association greater financial autonomy.

THE CORPORATION OF THE CITY OF ROSSLAND

FISCAL SERVICES

The debt load of the City is significant. The interest and principal payments in 1985 amounted to $223,300.00. Payments will increase to $257,000.00 in 1986 due to the downtown revitalization loan, and these payments will not appreciably be reduced until the year 1996. Two debentures are expressed in US Dollars; the foreign currency exchange paid in 1985 was $16,400.00.

The City paid $33,700.00 in short term interest charges to cover borrowing necessary to cover the cash flow deficiency resulting from our very high balance of unpaid taxes. The cost of short term borrowing was reduced by $14,000.00 in 1985 due to a new and aggressive cashflow policy. Short term loans at rates as low as 9.5% were secured, while short term investments earned the City yields as high as 9.4%

The new banking policy enables the City to engage in competitive banking for both short term investments and loans.

CAPITAL PROJECTS

Over $400,000.00 was invested in capital improvements in 1985. More than half, $230,000.00, was spent to improve the water and sewer infrastructure. The investment in the transportation infrastructure amounted to $120,000.00.

The most visible project was the reconstruction of Columbia Avenue by the Ministry of Transportation and Highways. The City took advantage of this provincial project to renew the underground infrastructure prior to the repaving of Columbia Avenue.

The City was able to complete all outstanding water and sewer improvement projects in 1985. The policy of improving the operating efficiency of heavy equipment was continued in 1985 with the replacement of a 10 year old City owned loader by a new lease machine.

A multi-year program was initiated to replace high energy consumption mercury vapour street lights (blueish lights) with more energy efficient high pressure sodium lights (amber lights). 200 lights were replaced in the first phase of the conversion program, 180 lights remain to be replaced to complete the change-over. The capital cost of the first phase was $60,000.00, and the energy saving realized from the first phase is $500.00 per month.

Minor capital projects included the continuation of the Columbia Cemetery restoration, a project funded by the regional district, and the construction of a new "Welcome to Rossland" sign along the Schofield Highway near the Mountain View Cemetery.

THE CORPORATION OF THE CITY OF ROSSLAND

SUMMARY

1985 was a year in which the City maintained services at levels and quality standards established in previous years. Operating cost increases were compensated by increased efficiency and productivity. This was achieved by reducing administrative staff, by replacing old equipment, and by increasing the use of computers and automated processes.

Capital projects were funded primarily from reserves and from unexpended funds left from borrowings of earlier years. The primary objective of capital expenditures was to reduce operating costs.

OUTLOOK

The challenge for the immediate future is to consolidate the gains achieved in 1985. The water and sewer infrastructures are at a point where all outstanding improvements were completed. Regular future capital expenditures for water and sewer will prevent the creation of new backlogs.

The road infrastructure is in need of major capital investments. The extent of the existing debt load does not allow the City to make significant progress in this area.

City Hall, built in 1900, has deteriorated to a point where a decision to move became inevitable. A choice for the future location of City Hall will have to be made in 1986.

The level of taxation continues to be a problem. Rossland has one of the lowest per capita assessment values in the province. The City is at the point where further improvements in efficiency and productivity will not be adequate to balance the anticipated rise in operating costs. The street light conversion program is an example of the level of capital investment required to achieve a saving in operating costs.

Future taxation policies will most likely have to relate directly to service policies. A major unknown factor is the future of liability insurance. The City was fortunate, compared to many other communities, in securing affordable liability insurance for 1986, there is no indication at all on what lay ahead for 1987.

The real impact of provincial taxation and cost sharing policies, announced and anticipated, is as yet undetermined.

The City is concerned about the future of the Cominco Trail operation. As a bedroom community serving this industrial giant, we are affected by the decisions which will direct Cominco's future.

There is one certainty for the City of Rossland: the future demands considered decisions, there is no tolerance for platitudes.

THE CORPORATION OF THE CITY OF ROSSLAND

THE PEOPLE

Council

Mayor J. Drysdale

Alderman L. Charlton
Alderman G. Jenkins
Alderman M. Pistak
Alderman M. Samuelson
Alderman R. Steckle
Alderman J. Wild

Committees

A.P.C.	Rec. Commission	Personnel
Alderman L. Charlton	Alderman J. Wild	Alderman M. Pistak
Pat Cayen	Mim Castle	Alderman M. Samuelson
Larry Doell	Shirley Donald	Andre Carrel
Harry Lefevre	Grant Lenarduzzi	
Jack McDonald	Bev McEwan	
Maureen Milne	Jack Richardson	
Chris Overton	Phyllis Terrio	
Arnie Sherwood		

Staff

Alfie Albo, Works Superintendent
Bill Burbridge, Truck Driver
John Drake, Truck Driver
Marilyn Espenhain, City Clerk
Frank Harris, Plumber
Ron Laybourne, Operator
Kathy Martin, Sr. Accounting Clerk
Darryl Pettitt, Truck Driver
Jack Richardson, Recreation Director
Nancy Scott, Arena Operator
Raymond Von Diebitsch, Arena Operator
Don Williams, Operator
Babs Bourchier, Clerk Typist
Andre Carrel, City Administrator/Treasurer
Tom Drake, Arena Operator
Ernie Geronazzo, Operator
Joe Issel, Carpenter
Ron Lloyd, Operator
Desmond Monaghan, Arena Operator
Catherina Rensing, Traffic Officer
Richard Samuelson, Works Foreman
Dave Turner, Planning Technican
George Wilson, Mechanic
Aileen Zanier, Administrative Clerk

Soligo, Koide & John
CHARTERED ACCOUNTANTS
TRAIL — CASTLEGAR — GRAND FORKS

AUDITORS' REPORT

We have examined the balance sheets of the Corporation of the City of Rossland as at December 31, 1985 and the statements of deficit, revenue and expenditure, equity in capital assets and capital financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. However, we were not able to verify the inventory totals contained in the books of account since inventories were not taken at year end.

In our opinion except for inventory amounts these financial statements present fairly the financial position of the city as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for British Columbia Municipalities applied on a basis consistent with that of the preceding year.

Pursuant to Section 320 we report that the city has incurred liabilities beyond the amount of the municipal revenue for the current year and any of the accumulated surplus of prior years appropriated for the annual budget.

Soligo, Koide & John
CHARTERED ACCOUNTANTS.

TRAIL, B. C.,
March 1, 1986.

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED BALANCE SHEETS - OPERATING FUNDS

DECEMBER 31, 1985

ASSETS

	1985	1984
General operating fund		
Cash	$ 56,502	$ 2,653
Taxes receivable	327,938	352,504
Due from federal government	248	223
Due from provincial government	15,009	7,493
Due from other local governments	15,422	17,546
Due from own funds		
Water operating fund	64,320	93,005
Sewer operating fund	43,233	62,746
Trade accounts receivable		
Garbage rates receivable	17,672	12,552
Other	23,793	21,760
Inventories - at cost	30,877	47,438
Property acquired for taxes		
Subject to redemption	1,659	26,056
Deeded to municipality	58,852	54,283
M. F. A. debt reserve fund	56,945	55,615
Prepaid expenses and deferred charges	104,726	94,129
Excess residential school tax collected	-	430
	817,196	848,433
Water operating fund		
Due from provincial government	15,400	27,636
Water rates receivable	10,670	11,408
Inventories - at cost	38,860	54,091
M. F. A. debt reserve fund	30,972	30,221
	95,902	123,356
Sewer operating fund		
Due from provincial government	30,200	44,402
Sewer rates receivable	10,491	7,762
Inventories - at cost	3,081	10,672
M. F. A. debt reserve fund	17,442	16,984
	61,214	79,820
	$ 974,312	$ 1,051,609

Treasurer

LIABILITIES

	1985	1984
General operating fund		
Cheques issued in excess of funds on deposit	$ -	$ 7,103
Bank loan	250,000	100,000
Due to other governments	6,538	282
Due to Regional District of Kootenay Boundary	6,586	253
Due to own funds - sale of land	5,681	47,021
- tax sale land fund	7,252	30,271
- general capital fund	-	3,043
- water capital fund	7,420	103,702
- sewer capital fund	9,549	19,214
Trade accounts payable	228,880	149,938
Accrued wages	18,608	1,592
Other liabilities		
Prepaid garbage rates	464	138
Other prepaid charges	839	1,759
Performance deposits	300	340
Reserves		
Future expenditures	170,727	183,457
Equipment replacement	80,373	113,298
M. F. A. debt reserve fund - cash requirement	10,851	9,521
- demand note requirement	46,094	46,094
Surplus (deficit) - Statement B	(32,966)	31,407
	817,196	848,433
Water operating fund		
Prepaid water rates	610	130
Due to general operating fund	64,320	93,005
M. F. A. debt reserve fund - cash requirement	7,113	6,362
- demand note requirement	23,859	23,859
	95,902	123,356
Sewer operating fund		
Prepaid sewer rates	539	90
Due to general operating fund	43,233	62,746
M. F. A. debt reserve fund - cash requirement	4,244	3,786
- demand note requirement	13,198	13,198
	61,214	79,820
	$ 974,312	$ 1,051,609

STATEMENT B

THE CORPORATION OF THE CITY OF ROSSLAND

STATEMENT OF GENERAL OPERATING FUNDS DEFICIT

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Balance , beginning of year	$ 31,407	$ 172,388
Add: Prior year adjustment	-	2,310
	31,407	174,698
Less: Transfer to general operating fund	31,407	143,291
Excess of expenditure over revenue - Statement C	32,966	-
	64,373	143,291
Balance, end of year - Statement A	($ 32,966)	$ 31,407

Treasurer

STATEMENT C

THE CORPORATION OF THE CITY OF ROSSLAND

GENERAL OPERATING FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Revenue		
Taxes	$ 952,352	$ 956,145
Grants in lieu of taxes	25,591	20,007
Sales of services	202,132	214,552
Other revenue from own sources	474,159	454,093
Unconditional transfers from other governments	234,301	234,623
Conditional transfers from other governments	237,523	231,487
Collections for other governments	581,947	617,101
Transfers from own funds		
Water operating fund - Statement D	32,383	29,539
Sewer operating fund - Statement E	-	17,702
Reserve for equipment replacement	81,685	48,075
Other reserves	180,884	26,591
Transfer of prior years' surplus	31,407	143,291
Total revenue	3,034,364	2,993,206
Expenditure		
General government services	431,378	301,011
Protective services	28,300	22,679
Transportation services	666,649	857,135
Environmental health services	106,911	101,623
Public health and welfare services	2,198	1,010
Environmental development services	11,350	45,001
Recreational and cultural services	341,750	311,084
Fiscal services	321,387	175,235
Unconditional transfer to Regional District of Kootenay Boundary	140,605	184,344
Transmission of taxes levied for other governments	589,083	622,294
Transfers to own funds and reserves		
Water operating fund - Statement D	42,152	42,300
Sewer operating fund - Statement E - Note 5	213,528	123,637
General capital fund	160,166	156,809
Reserve for equipment replacement	11,873	25,000
Reserve for future expenditure	-	24,044
Total expenditure	3,067,330	2,993,206
Excess of expenditure over revenue - Statement B	($ 32,966)	$ -

STATEMENT D

THE CORPORATION OF THE CITY OF ROSSLAND

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Revenue		
Sale of services	$ 91,098	$ 90,681
Other services	2,522	2,824
Transfers from general operating fund - Statement C	42,152	42,300
Unconditional transfers from provincial government	29,615	27,636
Transfer from water capital fund	100,488	-
Total revenue	265,875	163,441
Expenditure		
Environmental health services		
Purification and treatment	5,192	2,507
Service of supply	41,976	27,541
Transmission and distribution	57,376	47,812
	104,544	77,860
Debt charges		
Interest on long term debt	48,166	48,251
Principal instalments	7,876	7,791
	56,042	56,042
Transfer to water capital fund	72,906	-
Total expenditure	233,492	133,902
Excess of revenue over expenditure for the year - Statement C	$ 32,383	$ 29,539

Treasurer

STATEMENT E

THE CORPORATION OF THE CITY OF ROSSLAND

SEWER OPERATING FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1985

	1985	1984
Revenue		
Sale of services	$ 68,456	$ 67,297
Other services	723	3,240
Transfers from general operating fund - Statement C - Note 5	213,528	123,637
Unconditional transfers from provincial government	48,975	44,402
Transfer from sewer capital fund	10,600	-
Total revenue	342,282	238,576
Expenditure		
Environmental health services		
Sewage collection system	54,993	66,912
Unconditional transfer to Regional District of Kootenay Boundary	87,640	102,502
	142,633	169,414
Debt charges		
Interest on debentures	30,878	29,704
Principal instalments	12,330	3,467
	43,208	33,171
Transfer to sewer capital fund	156,441	18,289
Total expenditure	342,282	220,874
Excess of revenue over expenditure for the year - Statement C	$ -	$ 17,702

Treasurer

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED BALANCE SHEET - CAPITAL FUNDS

DECEMBER 31, 1985

ASSETS

	1985	1984
General capital fund		
Cash	$ 1,000	$ 1,000
Due from general operating fund	-	3,043
Engineering structures	869,093	3,079,984
Buildings	1,018,215	1,252,466
Machinery and equipment	211,488	813,113
Land	2,303,528	112,271
Work in progress	17,088	17,088
Debenture charges recoverable - Regional Hospital District	-	3,000
	4,420,412	5,281,965
Water capital fund		
Due from general operating fund	7,420	103,702
Engineering structures	420,905	619,702
Work in progress	14,768	14,768
	443,093	738,172
Sewer capital fund		
Due from general operating fund	9,549	19,214
Engineering structures	367,393	351,652
Work in progress	-	6,130
	376,942	376,996
	$ 5,240,447	$ 6,397,133

Treasurer

STATEMENT F

LIABILITIES

	1985	1984
General capital fund		
Other loans - Note 4	$ -	$ 270,000
Lease obligations	-	5,616
Long term debt - Schedule 1, Note 2	846,808	617,545
Reserves for future capital expenditures	-	15,577
Equity in fixed assets - Statement G	3,573,604	4,373,227
	4,420,412	5,281,965
Water capital fund		
Long term debt - Schedule 1, Note 2	385,920	394,767
Equity in fixed assets - Statement G	57,173	343,405
	443,093	738,172
Sewer capital fund		
Long term debt - Schedule 1, Note 2	232,950	245,643
Equity in fixed assets - Statement G	143,992	131,353
	376,942	376,996
	$ 5,240,447	$ 6,397,133

STATEMENT G

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED STATEMENT OF EQUITY IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1985

	1985				1984
	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total	Total
Balance, beginning of year	$ 4,373,227	$ 343,405	$ 131,353	$ 4,847,985	$ 4,742,106
Add: Proceeds from sale of land	-	-	-	-	5,440
Actuarial adjustment	1,552	971	363	2,886	1,809
Proceeds from sale of equipment	33,000	-	-	33,000	-
Regional District grants	-	-	-	-	63,908
Internal interest	83	4,206	935	5,224	-
Principle repayment of debentures	39,185	7,876	12,330	59,391	38,325
Retirement of lease obligations	5,616	-	-	5,616	4,500
Transfers from own funds -					
Operating	160,166	72,906	156,441	389,513	175,098
Tax sale land	-	-	-	-	6,130
Sale of land	-	-	-	-	538
Reserve for future capital expenditures	15,577	-	-	15,577	6,220
	4,628,406	429,364	301,422	5,359,192	5,044,074
Less: Transfer to Regional District of Kootenay Boundary	-	-	-	-	83,720
Depreciation provided	234,671	46,767	40,821	322,259	44,329
Debentures paid by hospital	3,000	-	-	3,000	3,000
Transfer By-law funds to operating	3,124	100,488	10,600	114,212	-
Sale of equipment	33,000	-	-	33,000	65,040
Valuation of assets	781,007	224,936	106,009	1,111,952	-
	1.054,802	372,191	157,430	1.584,423	196,089
Balance, end of year - Statement F	$ 3,573,604	$ 57,173	$ 143,992	$ 3,774,769	$ 4,847,985

STATEMENT H

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED CAPITAL FUNDS

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1985

	1985				1984
	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total	Total
Funds acquired					
Unexpended funds at beginning of year	$ 3,043	$ 103,702	$ 19,214	$ 125,959	$ 191,681
Proceeds from sale of land	-	-	-	-	5,440
Sale of equipment	-	-	-	-	65,043
General reserve accounts	15,577	-	-	15,577	6,220
Long term debt incurred:					
Debentures issued by Municipal Finance Authority	270,000	-	-	270,000	173,000
Internal interest	83	4,206	935	5,224	-
Regional District grants	-	-	-	-	63,908
Transfers from own funds:					
Tax sale land fund	-	-	-	-	6,130
Sale of land fund	-	-	-	-	538
Operating funds	160,166	72,906	156,441	389,513	175,098
	448,869	180,814	176,590	806,273	687,058
Funds applied					
Term deposits	-	-	-	-	1,000
Transfers to Regional District of Kootenay Boundary	-	-	-	-	83,720
Temporary borrowing	272,126	-	-	272,126	142,000
Capital expenditures for tangible assets	160,166	72,906	156,441	389,513	328,160
Transfer By-law funds	-	100,488	10,600	111,088	-
Reduction in capital reserves	15,577	-	-	15,577	6,219
	447,869	173,394	167,041	788,304	561,099
Unexpended funds, end of year	$ 1,000	$ 7,420	$ 9,549	$ 17,969	$ 125,959

Treasurer

STATEMENT I

THE CORPORATION OF THE CITY OF ROSSLAND

TRUST AND RESERVE FUNDS

BALANCE SHEET - DECEMBER 31, 1985

	1985			1984
	Tax sale Land	Sale of Land	Total	Total
Assets				
Cash	$ 70	$ 1,134	$ 1,204	$ 192
Due from general operating fund	7,252	5,681	12,933	77,292
	$ 7,322	$ 6,815	$ 14,137	$ 77,484
Fund balances				
Balance - beginning of year	$ 30,337	$ 47,147	$ 77,484	$ 77,519
Add: Interest received	1,572	2,311	3,883	11,216
Proceeds from sale of land	-	1,000	1,000	-
	31,909	50,458	82,367	88,735
Less: Transfers to capital funds	-	-	-	6,668
Transfers to operating fund	24,587	43,643	68,230	4,583
Balance, end of year	$ 7,322	$ 6,815	$ 14,137	$ 77,484

Treasurer

THE CORPORATION OF THE CITY OF ROSSLAND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1985

Note 1 - Accounting policies

a) In 1985 there was a change in the valuation and depreciation policies for fixed assets. In accordance with By-law #1540, land and buildings acquired prior to 1985 have been revalued to reflect the 1985 assessment value. Land and buildings acquired after January 1, 1985 were recorded at actual cost, unless they were acquired for a nominal value. If acquired for a nominal value they are recorded at the latest current assessment value. All engineering structures acquired prior to January 1, 1985 are valued at the balance of the outstanding debt incurred to acquire the asset. Engineering structures acquired after January 1, 1985 are valued at cost. All machinery and equipment acquired prior to January 1, 1985 are recorded at estimated current value. Machinery and equipment acquired after January 1, 1985 are recorded at cost.

The method of depreciation is declining balance. The rates applied on net book value are as follows:

Vehicles	- 30%
Engineering structures	- 10%
Buildings	- 5%

Due to the change in accounting policy for fixed assets the figures on the 1985 and 1984 financial statements are not comparable.

b) Interest charges on long term debt are not accrued.

Note 2 - Long term debt

Debt payable in U. S. funds has been reflected in the accounts on the basis that one dollar U. S. equals one dollar Canadian. At December 31, the debt payable in U. S. dollars was $196,713. The Canadian dollar equivalent of the debt was $275,988.

Note 3 - Contingent liabilities

The Corporation of the City of Rossland as a member of the Regional District of Kootenay Boundary is jointly and severally liable for the borrowing of this authority.

Note 4 - Other loans

In 1985, the $270,000 loan was reclassified to long term debt in the general capital fund - Schedule 1.

Note 5 - Transfers from general operating

For the sewer operating fund, the transfer from general operating consists of $21,046 of frontage taxes collected on behalf of sewer operating, $87,640 Regional District levies and $104,842 to fund the deficit in the sewer operating fund created by over expenditures during the year.

SCHEDULE 1

THE CORPORATION OF THE CITY OF ROSSLAND

SCHEDULE OF DEBENTURE DEBT

YEAR ENDED DECEMBER 31, 1985

By-law No.	Date of Issue	Original Amount	Balance Out-standing Jan 1/85	Actuarial Adjustment	1985 Principal Payments	Balance Out-standing Dec 31/85	1985 Interest
General							
1081	1966	$ 45,000	$ 3,000	$ -	$ 3,000	$ -	$ 180
1302	1977	46,875	18,966	-	5,730	13,236	1,894
1327	1979	21,630	19,127	125	453	18,549	2,298
1353	1980	134,300	116,794	875	4,062	111,857	15,277
1389	1980	135,746	128,254	-	2,561	125,693	17,699
1423	1982	178,104	167,062	552	5,386	161,124	26,938
1459	1983	33,513	22,342	-	6,703	15,639	2,513
1460	1984	270,000	270,000	-	-	270,000	-
1475	1984	142,000	142,000	-	11,290	130,710	18,460
		1,007,168	887,545	1,552	39,185	846,808	85,259
Water							
1327	1979	129,280	114,314	748	2,709	110,857	13,736
1391	1980	73,767	71,720	-	700	71,020	9,912
1444	1983	213,200	208,733	223	4,467	204,043	24,518
		416,247	394,767	971	7,876	385,920	48,166
Sewer							
1327	1979	48,390	42,790	281	1,014	41,495	5,142
1391	1980	98,244	95,517	-	932	94,585	13,200
1445	1983	77,970	76,336	82	1,634	74,620	8,967
1515	1984	31,000	31,000	-	8,750	22,250	3,569
		255,604	245,643	363	12,330	232,950	30,878
Totals		$ 1,679,019	$ 1,527,955	$ 2,886	$ 59,391	$ 1,465,678	$ 164,303